

Which trends offer opportunities or pose threats in the European coffee market?

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Sustainability remains one of the highest priorities for industry stakeholders. New EU regulations are shifting the discussion on sustainability from voluntary to mandatory compliance. Moreover, specialty and ready-to-drink coffees are gaining popularity amongst increasingly selective consumers. At the same time, prices for green coffee are increasing, due in part to global supply challenges and weather conditions in major producing countries.

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1. Mandatory sustainability standards are reshaping the coffee industry

Sustainability in coffee production is shifting from voluntary standards to mandatory regulatory frameworks. This shift is transforming the coffee sector by promoting human rights, environmental preservation and fair practices. These new rules are requiring companies to adjust their operations to ensure safety for the planet and the people living on it. Companies must also address the root cause of poverty by ensuring that coffee farmers can earn a living wage. Although some businesses are worried about potential disruptions to their supply chains, the future of the coffee industry will depend on its ability to adapt to these new standards. Regulators are working to provide clear guidelines by actively engaging with stakeholders to ensure the effectiveness of these regulations.

Europe continues to be a pioneer in sustainability regulations for the coffee sector

The European Union (EU) is leading efforts to make sustainability mandatory with its [European Green Deal](#) (EGD), which aims for a climate-neutral Europe by 2050. This plan enforces stricter environmental and sustainability rules, thus [affecting the global coffee trade](#). Part of the EGD, the 'Farm to Fork' strategy, aims to create a more sustainable food system, in part by cutting the use of pesticides [in half by 2030](#). Two major regulations that are reshaping the coffee industry are the [EU Deforestation Regulation](#) (EUDR) and the Corporate [Sustainability Due Diligence Directive](#) (CS3D).

European Union Deforestation Regulation (EUDR)

The EUDR came into force on 29 June 2023, with the following objectives:

1. Prevent the sale of products linked to deforestation in the EU.
2. Reduce greenhouse-gas emissions by ensuring deforestation-free imports into Europe, aiming for a yearly cut of 32 million metric tonnes of carbon emissions (equivalent to the annual emissions of 25 million cars).
3. Protect global biodiversity.

[The regulation bans the import of coffee products from land that was deforested after 31 December 2020 into the European Union \(EU\)](#). All companies that import coffee into the EU must therefore ensure that their products have not caused deforestation. Companies must provide data on the geolocation and legality of the regions where their coffee was grown.

Although it was initially set to come into force in December 2024, the regulation has been delayed by 12 months. It will now take effect from 30 December 2025 for large operators and from 30 June 2026 for smaller and micro businesses. This adjustment will give businesses extra time to prepare for and comply with the rules. Large operators are companies with 250 or more employees and annual turnover of more than €50 million. Small enterprises have fewer than 50 employees and an annual turnover less than €10 million. Micro enterprises typically have fewer than 10 employees and an annual turnover less than €2 million.

The phased implementation of the EUDR shows the EU is committed to balancing environmental goals with economic realities. As the coffee industry adapts, partnerships between regulators, importers and producers will play a key role in meeting these ambitious standards. Importers must conduct due diligence to ensure that their supply chains are deforestation-free and legal in their countries of origin. This includes the following:

- Traceability to the source (e.g. farm or plantation)
- Compliance with land-use laws in the country of origin
- Risk assessments and mitigation procedures

Small traders are primarily responsible for ensuring traceability and providing relevant documentation to authorities upon request.

Some coffee-producing countries have already started taking steps to comply with the EUDR. For example, Solidaridad is collaborating with partner organisations and the Peruvian government to help farmers with georeferencing their farms. [Solidaridad carried out a pilot initiative utilising satellite images from Sentinel-2 to monitor both primary and secondary forests on coffee farms](#). With a spatial resolution of up to 10 metres, these images enable the assessment of whether small-scale producers are effectively preserving their forested areas. The project has received validation from Peru's National Forest Programme

The Corporate Sustainability Due Diligence Directive (CS3D)

In April 2024, the [European Parliament adopted the Corporate Sustainability Due Diligence Directive \(CS3D\)](#). This key regulation holds companies accountable for their impact on human rights and the environment in their global operations. It officially came into force in July 2024. The CS3D is part of the EU's larger agenda to encourage sustainable and responsible business practices, aligning with the European Green Deal and the UN Sustainable Development Goals.

This directive applies to [all companies operating within the EU market](#), regardless of where they are based. It ensures that all businesses follow consistent sustainability standards. EU member states have [two years](#) to integrate the directive into their national laws. This will allow countries to adapt the directive to their local contexts whilst ensuring consistency throughout the EU. Companies are required to adopt processes to identify, reduce and report negative impacts on human rights and the environment within their operations and supply chains. To this end, they must adopt robust systems to prevent or mitigate negative effects across their supply chains, extending their responsibility beyond direct operations.

The CS3D will be phased in over a longer period. Companies with at least 5,000 employees and turnover of at least €1,500 million must comply within three years. Companies with 3,000 employees and turnover of €900 million will have four years to comply, and those with 1,000 employees and turnover of €450 million will have five years.

In preparation for the adoption of the CS3D, the Organisation of African, Caribbean and Pacific States (OACPS) has initiated [pilot programmes](#), in partnership with the EU and the Netherlands Ministry of Foreign Affairs. Supported by the [International Coffee Organization](#) (ICO), these programmes aim to establish practical ways of meeting the sustainability goals of the directive across sectors.

The directive will require coffee businesses exporting to the EU to set up detailed codes of conduct addressing the following:

- Ethics: Ensuring fair and transparent business practices
- Social Responsibility: Treating workers and farmers fairly, providing living incomes and safeguarding communities
- Environmental Responsibility: Addressing deforestation, preserving biodiversity and achieving carbon neutrality

In addition to guiding corporate operations, these requirements will demonstrate compliance with the CS3D. They will also reshape global coffee supply chains to make them more sustainable and fair.

Increase focus on company programmes and standards

In-house sustainability programmes — such as certifications developed by private firms, typically large global buyers or multinational corporations (MNCs) — have become very common in the coffee industry. Major coffee-buying companies are moving away from third-party sustainability standards to their own standards. They are refining and expanding their programmes to address environmental, social and economic challenges. Examples include the [Starbucks C.A.F.E.](#) (Coffee and Farmers Equity Practices) certification programme and the Nespresso (Nestlé Group) [AAA Sustainable Quality programme](#). Companies continue to engage directly in projects at origin to improve sustainability.

Starbucks has maintained its position at the forefront of coffee sustainability. In its [2023 Global Impact Report](#), the company highlights its industry-leading C.A.F.E. Practices programme, which focuses on creating a sustainable future for coffee. Such programmes reflect ongoing efforts to address climate change and support coffee-growing communities.

The C.A.F.E. programme continues to be a cornerstone of the Starbucks company's commitment to ethical sourcing and sustainable coffee production. The company is also [reducing waste](#) through its reusable cup programmes and improved packaging. It is also reducing its carbon footprint by expanding its plant-based menu options.

As revealed in its [Shared Value and Sustainability Report](#), Nestlé has made significant progress in its coffee-sustainability efforts through the Nespresso AAA Sustainable Quality Programme. This programme reached 93.1% of the company's coffee sourcing in 2022. It focuses on creating a resilient, sustainable coffee industry by working directly with farmers to improve practices and livelihoods.

Based on its [Responsible Coffee Sourcing Principles](#), the large-scale roaster JDE Peet's has achieved **77% responsibly sourced** coffee, well on its way towards the goal of 100% by 2025. The company is also working to make 100% of its packaging reusable, recyclable or compostable by 2025. Furthermore, it has set targets to reduce greenhouse-gas emissions across its value chain, it has [increased the use of renewable energy](#) in its operations, particularly in Brazil, Europe, and New Zealand. In addition, they continue to invest in programmes that support coffee farmers, including [training in sustainable farming practices](#).

The trading group Neumann Kaffee has founded the independent NGO [Hanns R. Neumann Stiftung](#). This organisation implements several coffee-based projects aimed at promoting a sustainable coffee economy. Another roaster, Lavazza, has founded the [Lavazza Foundation](#), which implements sustainability projects to support coffee-producing communities worldwide.

Smaller and mid-sized industry players are also involved in projects directly at origin. To gain an idea of the types of projects in which origin traders are engaging, visit the websites of the Dutch trader [Trabocca](#) or the UK trader [Falcon](#).

Company sustainability programmes are expanding beyond traditional coffee companies. Interestingly, companies that have not traditionally been associated with coffee are also making strides in beverage sustainability. For example, the [Coca-Cola Company](#) outlines its commitment to social and environmental responsibility across its beverage portfolio, which includes coffee products. More specifically, the company's efforts include sustainable packaging and water stewardship, which are also critical issues in the coffee industry. This trend reflects a broader industry shift towards sustainability, even amongst diversified beverage companies.

Retailers are continuing their efforts to contribute to sustainability concerns and requirements with their own codes of conduct. Examples include those developed by [REWE](#) (Germany), [Ahold Delhaize](#) (Netherlands) and [Carrefour](#) (France).

Tips:

Demonstrate compliance with the new EUDR requirements by proactively collecting geolocation data on your coffee suppliers and ensure you have the proper systems in place to provide evidence of your compliance.

Ensure that your suppliers also have responsible business practices in place. Many social and environmental issues involve the farm level, which may not be a part of your direct handling and processing activities.

Demonstrate how you are working to reduce your carbon footprint (for example, by replacing chemical fertilisers with organic waste and practising organic farming). This could help you position yourself as a preferred supplier to European importers and companies.

Read our [tips to go green](#) and [tips on how to become more socially responsible in the coffee sector](#). These suggestions include practical actions to enhance sustainability within the coffee industry.

Follow the [European Commission news to stay up to date on the EUDR](#) and other regulations that may have an impact on your export business.

2. Specialty coffee is a growing segment in the European market

The European market for specialty coffee is growing rapidly, and it is expected to grow at a [yearly rate of 13%](#)

until 2030. Consumer preferences for high-quality, unique coffee experiences are driving this increase in demand. Some consumers are also willing to pay more for coffees with a good origin story, highlighting [environmental and social aspects, as well as other sustainability topics](#). Throughout the world, [younger generations are driving this trend](#), due to their interest in sustainability and ethical sourcing.

Demand for specialty coffee is growing across various channels, with an increase in independent [specialty-coffee roasters and cafés](#). The [rise of e-commerce](#) is also contributing to this trend by enabling access to specialty coffees. The continued expansion of e-commerce platforms and collaborations between supermarkets and local roasters (like Lidl in Ireland) provide evidence that specialty coffee is becoming more mainstream. More specifically, [specialty coffee has the potential to stand out](#) by offering a new experience that focuses on creativity, quality and sustainability. The expectation is that, in the coming years, more coffee blends will be created for different tastes — ranging from single-origin beans to drinks flavoured with local ingredients. This will offer opportunities for suppliers of high-quality coffee to expand, even as direct trade and relationship coffee become more common.

The following are several relevant developments and concepts within the specialty coffee market:

- Signature blends: These carefully selected coffees from various origins are designed to reach unique taste palettes. By catering to specific consumer tastes, they communicate balance and quality. Examples include various blends by [Coffee Masters](#) (United Kingdom), [Taf](#) (Greece) and [Flying Roasters](#) (Germany).
- Single origin: For years, the industry and consumers have been devoting attention to the origins of coffee. Single-origin coffee from a specific region or country is associated with high quality and uniqueness. For example, growers from Ethiopia rely on the uniqueness of this origin, which many regard as the birthplace of coffee. Peruvian producers are also promoting the unique origin of their coffees through their national coffee brand, [Cafés del Peru](#), which was launched in 2019. Other examples of single origins include Jamaican [Blue Mountain](#), Hawaiian [Kona](#), [Kenya AA](#) and [Guatemala Antigua](#).
- Single farm or estate: Coffee sourced from a single farm is known as ‘single-farm’ or single-estate coffee. Examples include Tanzanian [Kifaru Coffee](#) and Salvadorian [Finca el Cerro](#).
- Micro lots and nano lots: The specialty coffee market has also led to an [increase in micro and nano lots](#). Consisting of extremely high-quality coffee beans, these lots are sold for very high prices. Micro lots usually consist of 10 to 75 bags. Nano lots are even smaller, consisting of less than five bags of coffee, thus conferring an even more exclusive quality. Micro and nano lots allow for more direct relationships between producers and smaller buyers (such as specialised traders and small-scale roasters). This presents an interesting opportunity for top-quality and value-added coffees. Volumes are low, however, and the costs for preparing these lots for export are high, as are the logistical expenses. Micro-lot and nano-lot coffees usually do not represent the core business of a coffee producer. Instead, they primarily boost the producer’s reputation of having the skills to produce interesting varieties and processing.
- Infused coffee: [Infused coffees](#) offer new, complex flavours. Infusion can occur at various stages of the coffee-making process, including before or after roasting, or even when the coffee is ground. In most cases, however, it is done with green coffee beans. In response to the growing demand for complex flavours, coffee producers have been exploring new methods. They have started using such techniques as anaerobic fermentation and carbonic maceration, which involve fermenting coffee in pressurised tanks. These methods deviate from traditional processing techniques, including washed, honey or natural processing. Some producers are taking these methods even further to experiment with different flavours. The most common stage for infusion with non-coffee materials (like fruit pulp, aged beans or essential oils) is the fermentation stage. It can also occur during the drying or storage stages.

The fact that large trading companies are expanding their portfolios to include specialty coffees demonstrates the growing importance of this segment. Owned by [Neumann Kaffee Gruppe](#), [InterAmerican Coffee](#) was one of the first large players to set up a group dedicated to sourcing specialty coffees. More recent examples include [Rehm & Co](#) (owned by [Benecke Coffee](#)) and [Sucafina Specialty](#). In 2022, Olam Specialty Coffee [expanded](#) its brand and e-commerce platform from the USA to Europe.

Although mainstream coffee actors are increasingly engaging in the specialty market, Europe is home to many

specialised independent trading companies exist. These companies focus on importing small volumes of high-quality or single-origin coffees, for which they pay interesting premiums. Examples include [The Coffee Quest](#), [Trabocca](#), [This Side Up](#) (Netherlands), [Belco](#) (France), [Falcon Coffees](#) (United Kingdom) and [Nordic Approach](#) (Norway).

The increasing interest in specialty coffee is also reflected in the [growing number of coffee bars, small roasters, small local brands and baristas in Europe](#). The popularity of high-quality coffee across Europe is embedded in consumer preferences. Demand for unique, high-quality coffees may even see further growth in the near future. In addition, supermarkets are increasingly looking at specialty coffee, offering [lighter roasts](#) and setting up partnerships with local roasters (such as [Lidl in Ireland](#)).

Tips:

Read our [study on the specialty-coffee market in Europe](#) to learn more about trends and market opportunities for coffee exporters.

Read [this article on how to limit risk and improve quality on your micro lot](#).

Visit the [Specialty Coffee Association \(SCA\) website](#) to learn more about [coffee cupping and protocols](#). Consider obtaining a [Q-grader certificate](#) to be able to cup and score your Arabica coffee according to international standards for aroma and taste. If relevant, explore opportunities to [become an R Robusta grader](#) as well. The SCA website also publishes news, events and resources related to specialty coffee in Europe and North America. Connect with other industry players and potential buyers on the [Cup of Excellence](#) platform.

Learn more about the [rise of e-commerce and what the future holds for coffee in e-commerce](#).

Learn more about the [art of online sales for specialty-coffee roasters](#).

3. Demand for decaffeinated green coffee is increasing

Although the overall import market for green coffee in the EU is experiencing a decline, a surprising trend has emerged in the niche of green decaffeinated coffee. The [European Coffee Report 2023/2024](#) reveals a significant rise in imports of this specialty product. This trend suggests a shift in consumer preferences and market dynamics within the EU.

In 2023, imports of green decaffeinated coffee into the EU saw a remarkable increase of 36.9%, reaching a volume of 21,754 tonnes. Not merely a short-term fluctuation, this increase is part of a longer-term trend. The 2023 import volume was nearly twice that of 2016, indicating a sustained and growing demand for decaffeinated coffee in the European market.

As imports have been increasing, exports of green decaffeinated coffee from the EU have been declining. In 2023, exports decreased to 59,075 tonnes, marking a significant 23.8% year-over-year reduction. The simultaneous increase in imports and decrease in exports suggests a growing domestic demand for decaffeinated coffee within the EU.

The growth of this niche market suggests shifts in consumer preferences and potential opportunities for coffee producers and processors specialising in decaffeinated products. As the European coffee market continues to develop, stakeholders should pay close attention to these changing dynamics. This is particularly important the decaffeinated-coffee segment, which appears to be going against broader market trends.

Tip:

Although decaffeinated coffee is a small but growing segment, cooperatives should look towards the future and consider dedicating a portion of their crop to decaffeinated processing. This will allow them to diversify their product range and tap into this growing market segment.

4. Demand for coffee products is low, but increasing gradually

The EU has seen a [significant rise](#) in the import of processed coffee products, including roasted coffee, roasted decaffeinated coffee and soluble coffee. In 2023, the 27 EU member states imported 388,000 tonnes of roasted coffee. This was an increase of 4.6% compared to 2022 and 10.9% compared to 2021. The steady growth suggests a continuous rise in demand for roasted coffee.

The largest growth amongst all categories was seen for imports of roasted decaffeinated coffee, which reached a volume of 11,500 tonnes. Although this figure is small, it reflects an increase of 16.3% compared to 2022 and 30.4% compared to 2021. The growing popularity of decaffeinated options suggests a gradual shift in consumer preferences towards health-conscious and lifestyle-driven coffee choices, as more people choose caffeine-free alternatives. We discuss consumer health concerns in detail in the next section.

Often associated with convenience, soluble coffee also experienced growth, with an import volume of 95,100 tonnes in 2023. This represents an increase of 3.7% compared to 2022 and 10.9% compared to 2021. This trend is also causing coffee value chains to start incorporating more value-added activities at origin. Growing countries are also increasingly producing finished coffee products.

A few brands in the European market have adopted a unique approach by roasting coffee at its source. This goes beyond traditional fair-trade practices and requires extra effort to help the places from which the coffee comes. For example, in addition to paying a fair price for coffee beans, the [Moyee Coffee](#) (Ethiopia and the Netherlands) company roasts and packs the coffee in Ethiopia. This ensures that 50% of all revenues from coffee sales revenues stay in Ethiopia. In another example, [Solino](#) (Ethiopia and Germany) also roasts and packs coffee in Ethiopia, which helps create jobs there. The company also teaches local workers how to roast coffee. The [GEPA](#) company (Germany) has three special collections of coffee roasted in the countries in which it is produced (Guatemala, Honduras and Rwanda).

In addition to these brands, other initiatives are promoting and selling coffee that has been fully processed in the country of origin. Examples include [Proudly Made in Africa](#) (Ireland), which seeks to support Africa by buying products (including coffee) that are produced completely in Africa. The [Agency for the Valorization of Agricultural Products](#) (France) also promotes coffee that is roasted where it is grown through its yearly 'coffee roasted at origin contest'. In the July 2023 edition, which was organised in France, experts tasted nearly 200 different types of coffee beans from 25 countries on 4 continents. The tasting took place in two distinct phases: espresso mode and unfiltered infusion.

These initiatives also reflect a growing trend in which brands demonstrate commitment to adding value and fostering economic development in countries of origin.

Tips:

Explore whether roasting at origin could be beneficial, depending on the presence of a domestic market and export connections.

Stay up to date on EU import regulations, especially regarding food safety and labelling requirements, and make sure that you meet EU standards for roasted and processed coffee.

Partner with EU-based roasters to develop custom blends or white-label products. Offer co-creation opportunities to tap into local market knowledge and preferences.

5. Moderate growth in Europe's market for branded coffee shops

The European market for branded coffee shops has shown moderate growth in the past year, despite facing economic challenges. According to the [World Coffee Portal's Project Café Europe 2024](#), the market expanded by 3.3%, reaching a total of 45,008 stores across the continent. This growth occurred against a backdrop of high operating costs and low consumer confidence, highlighting the resilience of the coffee-shop sector.

According to the report, 33 of 40 major markets achieved net outlet growth. Key markets (such as the UK, Russia, France and Türkiye) experienced single-digit growth. Remarkably, Ukraine achieved double-digit expansion, despite the ongoing conflict. Some markets saw a decrease in activity, however, with Germany showing the largest drop in the number of outlets and Greece experiencing a small decline.

For coffee exporters and cooperatives from developing countries, this growth presents both opportunities and challenges. Industry leaders have identified the [increasing demand for specialty coffee across Europe](#) as a major market development. This shift towards premium and specialty coffee could benefit producers who focus on high-quality beans and sustainable practices.

At the same time, however, the coffee-shop industry is struggling to stay profitable, due to high costs for ingredients and staff, combined with customers having less money to spend. This could increase price sensitivity and have an impact on sourcing decisions, thereby affecting producers in developing countries.

Looking ahead, European industry leaders are cautiously optimistic, with [42% of industry players](#) anticipating improved trading conditions in the coming year. The World Coffee Portal forecasts the market to exceed [46,600 outlets within 12 months and reach a total of more than 52,800 outlets by March 2029](#). This would represent a compound annual growth rate of 3.2%.

For coffee producers in developing countries, this projected growth suggests a continuing demand for their products. At the same time, however, producers may need to focus on quality, sustainability and efficiency to meet the evolving preferences of European consumers and the cost pressures faced by coffee-shop operators.

Tip

Implement sustainable farming practices to meet the growing demand for environmentally friendly products. This includes reducing water usage, minimising chemical inputs and promoting biodiversity.

6. Convenience drives growth in coffee consumption

European demand for single-serve coffee (such as coffee pods and capsules) has grown strongly in the past decade. It is also expected to grow substantially in the coming years, [from USD 15.09 billion in 2023 to USD](#)

20.70 billion by 2028. This reflects a notable compound average growth rate (CAGR) of 6.5%. Another contributor to the growth in this part of the sector was the COVID-19 pandemic, which increased coffee consumption at home.

Large industry players continue to invest in their single-serve coffees. For example, in 2021, the [JDE Peet's company invested €110 million to increase its production of coffee capsules in France by 60%](#) to meet increased demand for at-home coffee products. In 2022, Nestlé also [expanded premium coffee options under the brands Nescafé, Nespresso and Starbucks](#) to win the battle for at-home and out-of-home coffee consumption. Retailers in Northern and Western Europe keep [expanding their range of single-serve methods](#).

Factors contributing to the popularity of these products include their ease of use, strong marketing and wide variety of available flavours. The leaders in the European market for pods and capsules are [Nespresso](#), [Starbucks](#), [Lavazza](#) and [JDE Peet's](#).

One important trend within the single-serve market is the [introduction of specialty coffee capsules](#). Although this market is still very small, it is growing rapidly. Roasters are increasingly including coffee capsules in their range of products. Examples of companies offering specialty coffee capsules include the British [Difference Coffee](#), [Halo](#), [Hayman](#) and [Colonna](#), the Dutch [Bocca Roasters](#) and the Belgian [Caffènation](#).

The growing popularity of specialty coffee capsules is creating interesting opportunities for exporters of specialty coffees. This is mainly because it is helping to popularise high-quality coffees of different origins and flavours. Nespresso has also joined this trend by [launching the Reviving Origins programme](#), which is aimed at bringing back lost coffee origins. The origins in this assortment include specific regions of Colombia, Zimbabwe, Uganda, DR Congo and Cuba.

Figure 1: Nespresso's Reviving Origins programme



Source: [Nespresso](#), 2022

The single-serve market also has a major downside: the [negative environmental impact of coffee capsules](#). In response, [the industry has introduced recyclable and compostable solutions and alternatives](#). Today, many environmentally friendly solutions are available in the market. Examples include [Dualit's](#) compostable coffee capsules, [Migros'](#) fully compostable 'coffee balls' and the biobased capsules by [Dutch roaster Peeze](#).

There are also several initiatives for recycling coffee pods. One is the [Alliance for Aluminium Capsule Recycling in France](#), which was started by JDE Peet's, Nespresso and Nestlé France. Since January 2023, residents of Belgium have had the opportunity to sort their aluminium coffee capsules conveniently and efficiently by depositing them in the New Blue Bag. This significant initiative is the result of a collaborative effort between JDE Peet's, Nespresso, Nestlé and Fost+. The aim is to simplify the recycling process for consumers and ensure the proper disposal of aluminium capsules. Nespresso has even taken things a step further by shifting its capsule production from using virgin aluminium to utilising 80% recycled aluminium. The [Podback scheme in the UK](#) is another initiative, set up by Nestlé and JDE UK.

Still a niche market, ready-to-drink (RTD) coffees form one of the fastest-growing market segments in Europe. [The market is expected to grow by a CAGR of 7.86%](#) between 2024 and 2030. The convenience of RTD coffees and their perceived health aspects are driving this trend, with [RTD coffee being presented as an alternative to sodas](#) and alcoholic beverages. It is the fastest-growing segment by soft drink type, due its lower acidity, rich flavour, natural sweetness, smooth taste and premium appeal. Examples include cold-brew coffees and nitrogen-brew coffees. Coca-Cola is the largest player in the RTD sector, followed by Starbucks (distributed by PepsiCo) and Nestlé. Germany leads the ready-to-drink (RTD) coffee market, with a [20.48% value share in 2023](#). The segment is growing fastest in Russia, which has a projected CAGR of 9.61%.

Another trend relating to convenience is the sale of coffee online. Even prior to the pandemic, this trend had been growing steadily. The growth in online shopping and demand for virtual products surged during the pandemic thus further fuelled this trend. E-commerce platforms provide consumers with the opportunity to discover and access specialty and premium coffee products that might not have been easily available otherwise. With the shift in consumer behaviour due to the pandemic, e-commerce has stepped in to bridge the gap and help meet the rising consumer demand for coffee products.

A final contributor to the popularity of the out-of-home segment in Europe is coffee served in the workplace. During the COVID-19 lockdowns, Europeans had to work from home. As of 2022, many offices had reopened for [employees choosing to work in the office, whether full-time or part-time](#). In 2022, JDE Peet's reported that the company's at-home sales had increased by 8.9%, but that its out-of-home sales had increased even more — by 22.3%. This suggests that a large share of the demand for coffee takes place outside the home. The Office Coffee Service Market is expected to increase by [24% each year up to 2026](#).

Tips:

If you are an exporter of large quantities of standard-quality coffees, identify European roasters that manufacture private-label packaging, single origins, coffee blends, ready-to-drink products (RTD), pods or capsules, or importers that supply to these roasters. Approach these companies to sell your green coffee directly. Bear in mind that many single-serve manufacturers use mostly bulk coffee, often certified by Rainforest Alliance/UTZ.

Read our study on [how to find buyers in the European coffee market](#) for more information.

If you are interested in selling your green coffee to the office segment, connect directly with roasters that are already active in this market segment. This will shorten the supply chain and bring you closer to your end segment. You can find roasters on the websites of national coffee and roasters' associations. Examples include the [British Coffee Association](#), the [German Coffee Association](#), the [Italian Coffee Roasters Association](#) and the [Spanish Coffee Association](#).

7. Consumers are concerned about the health impacts of coffee

European consumers are increasingly concerned about the impact of food on their health and wellness. The COVID-19 pandemic made [consumers even more health-conscious](#), driving demand for healthy and organic foods. Growing consumer interest in healthy living has also fuelled concerns about the health aspects of coffee. According to the [Institute for Scientific Information on Coffee \(ISIC\)](#), global online searches for 'health benefits of drinking coffee' increased by 650% in 2021.

Research shows that moderate coffee intake reduces the risk of [type 2 diabetes](#), heart [disease](#), [cancer](#), [Parkinson's disease](#) and [depression](#). This is likely [due to the anti-inflammatories and antioxidants](#) found in coffee. The European Food Safety Association suggests [that moderate coffee consumption fits within a healthy diet and active lifestyle](#).

The healthy-living trend has changed consumer preferences. A growing range of coffee products has no added sugar or dairy. For example, [Starbucks offers four non-dairy milk options](#). Many options replace sugar with plant-based sweeteners (such as monk fruit and stevia).

The coffee industry is also increasingly adding functional ingredients to coffee products. Functional ingredients are thought to boost energy and relieve stress. Popular examples include [turmeric](#), [collagen](#) and [mushrooms](#). For example, mushroom coffee reportedly has half the caffeine content of regular coffee. The Finnish-American

company [Four Sigmatic](#) has introduced mushroom coffee in Europe and the United Kingdom. It is available at [Holland & Barret](#) and other retailers.

Alongside the trend towards functional ingredients, the consumption of decaffeinated coffee in Western Europe has been [growing each year since 2017](#), and [demand continues to rise](#). Decaffeinated coffee now accounts for around 12% of all coffee consumption in the region. Experts project that the global market for decaffeinated coffee will reach a value of USD 2.8 billion by 2027. In response to this trend, some coffee shops are opting to replace a significant portion of their single-origin options with decaffeinated coffees. This shift comes as consumers are becoming more concerned about [the negative side effects of high caffeine intake](#).

For this reason, coffee varieties with naturally very low levels of caffeine are also becoming popular, and demand for them is increasing. These varieties enhance the results of content decaffeination, resulting in decaffeinated coffee that retains more of the original flavour and aroma of the coffee bean. Examples of low-caffeine varieties include Laurina and Aramosa, which [have caffeine contents of 0.2–0.3% and 0.7–0.8%](#), respectively.

Concerns about high caffeine intake are also increasing interest in alternative products with lower or no caffeine content. Examples of alternative coffee products promoted as caffeine-free include [Chikko not Coffee](#) (roasted chicory), which is available at [Holland & Barret](#) (Netherlands) and Café Pino (lupine coffee), which is available at [Miraherba](#) (Germany). Other competing beverages include [turmeric latte](#) and [matcha tea](#). The UK-based company [Pukka Herbs](#) sells three types of organic matcha teas across the UK and Europe. It is worth noting that, although these coffee competitors are growing, they still represent a very small market share in specific health-related segments.

Tips:

Learn how coffee compares to alternative products, especially in terms of caffeine content. This kind of information is available on various scientific sources and websites (such as [Healthline](#)). You can find relevant articles by searching on 'coffee' and the name of your alternative product.

Read this post to learn more about [what decaffeinated coffee is](#).

Learn about [low-caffeine coffee varieties](#) (like [Laurina and Aramosa](#)) and the [size of the market for decaffeinated coffee](#).

8. Increased direct trade between small roasters and producers

The demand for greater transparency in the coffee chain has strengthened the ties between coffee producers and roasters. Coffee roasters, shops and sustainability-minded brands are increasingly trying to form more direct ties to farmers, coops and associations. This also helps them to meet the growing consumer demand to be more closely connected to the source.

A growing number of actors and digital tools are aiming to bridge the gap between specialty coffee roasters and coffee producers. Examples include the digital marketplaces [Algrano](#), [Beyco](#) and [TYPICA](#). These platforms allow for the commercialisation of smaller trade volumes and direct contact to build trust between suppliers and buyers. The use of digital marketplaces is growing, facilitating direct trade between producers and European roasters. This trend aligns with the broader digital transformation seen across various industries.

Many of the roasters engaged in direct sourcing are located in Western and Northern Europe, where the concept of direct sourcing is most appealing to consumers. Examples of small roasters with direct links to origin include

[Carrow Coffee Roasters](#) (Ireland), [Clever Coffee](#) (Denmark), [Wakuli](#) and [Bacano](#) (Netherlands), [Horsham Coffee Roasters](#) (United Kingdom). Examples of cooperatives exporting their coffee to specialised roasters are [Muungano Cooperative](#) (DR Congo) and [Ethio Gabana](#) (Ethiopia).

There has been pushback against direct trade, [arguing that it might have resulted in self-enforced, self-regulated and firm-led schemes](#). This is because it lacks any form of outside control or validation. For exporters, it is important to engage with reliable and ethical buyers or platforms.

There are also examples of digital platforms in producing countries. For instance, on the [Guatemalan Coffees](#) web platform, Guatemalan producers can upload their coffee offers online. The platform does not allow for direct online purchases. It acts as a digital promotion system and helps to connect sellers and buyers.

Tips:

Invest in long-term relationships. Build mutual trust by ensuring that your buyer-supplier commitments are well documented and by staying loyal to long-term partners. In addition, stay in constant communication with your buyers. European buyers greatly appreciate a proactive attitude. Inform your buyers of any possible or foreseen issues, as well as what you can do to avoid or solve problems. Long-term relationships are likely to help you manage market risks, improve the quality of your products and reach a fair quality-price balance.

Know your producers and stand out from your competitors by telling your story. This approach makes it easier for you to focus on a niche, specialty market. It could also increase your chances of obtaining a better price for your coffee.

Explore online trading sites (such as [Algrano](#), [Beyco](#), [TYPICA](#) and the [Almacena Platform](#)) to connect to roasters in Europe and elsewhere.

Read the CBI studies on [tips on how to go digital in the coffee sector](#), [tips on how to find buyers for coffee](#) and [tips on how to do business](#) in Europe.

9. Green-coffee prices keep rising

The global coffee market has been going through many ups and downs. Prices for green coffee have shown a [strong upward trend](#) since the beginning of 2024. In January 2024, Robusta prices reached their [highest level in 29 years](#), driven by supply shortages and rising demand, especially for specialty coffee blends. According to the latest data from [Trading Economics](#), coffee prices have surged by an impressive 33.86% since the start of the year, reflecting a substantial increase of USD 0.6376 per pound. This sharp increase highlights the ongoing challenges and changes taking place in the coffee industry.

Several factors have contributed to these price increases. Weather events in major producing regions continue to be a significant driver of price fluctuations. For example, [dry conditions in Brazil](#) (the world's largest coffee producer) and in Vietnam are creating supply shortages. There are also ongoing global supply chain disruptions. The coffee industry, like many others, continues to face logistical challenges in transporting and distributing green coffee beans from their countries of origin to consuming markets. These challenges include [container shortages](#) and the [disruptions to global trade routes caused by the Red Sea crisis](#). These difficulties increased costs and uncertainties within the supply chain, thus further contributing to the price hikes.

The specialty coffee sector has seen particularly strong growth in demand. As consumers become more discerning about their coffee choices, they are becoming more willing to pay premium prices for high-quality,

sustainably sourced beans. This trend is pushing up prices across the board, especially for specialty-grade coffees. In September 2024, Arabica futures reached their [highest levels in 13 years](#).

Other developments, including rising production costs — due to higher labour wages and increasing prices for inputs (like fertilisers) — suggest that [Robusta prices are not likely to fall in the near future](#). This is because both supply constraints and demand continue to push prices upwards.

For coffee producers and cooperatives, and particularly for smallholder farmers in developing countries, the price surge is a mixed blessing. Although higher prices could potentially lead to increased income in the short term, the volatility makes it challenging to plan for the future. In addition, the benefits of higher market prices do not always fully translate to farmgate prices, especially for producers who are not directly connected to markets.

Tips:

Explore which market segments best fit your operations. See [our study on finding buyers for coffee](#) for more information on different approaches to the coffee market.

Stay informed about changing coffee prices and what they mean to you. Such changes might be due to overproduction, upcoming weather events affecting the harvest in key producing countries, supermarket wars and hedge funds. Useful sources include the monthly coffee market reports of [Trading Economics](#), the [Markets Insider](#) and [ICO](#).

The global market for coffee is shaped by supply and demand, with Arabica coffees traded on the [New York Stock Exchange](#) and Robusta on the [London Stock Exchange](#). These markets often rely on futures contracts, allowing buyers to secure future coffee shipments at lower prices, thus creating market liquidity. At the same time, however, this system can lock producers into prices that do not reflect the true value of their coffee. Learn more about [coffee hedging](#) and [global coffee prices](#) on the Perfect Daily Grind website.

[ProFound – Advisers In Development](#) conducted this study, which was updated by [Amonarmah Consults](#), in partnership with [Molgo Research](#) and [Ethos Agriculture](#), on behalf of CBI.

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